

Service Date: November 16, 1992

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

* * * * *

IN THE MATTER Of The Application)
of U S WEST COMMUNICATIONS, INC.)DOCKET NO. 92.10.61
for Forbearance of Regulation:)ORDER NO. 5663
Montana Deaconess Medical Center)
_____)

FINAL ORDER

FINDINGS OF FACT

1. On October 22, 1992, US West Communications (USWC) filed an application with the Montana Public Service Commission (Commission or PSC) requesting forbearance of rate regulation for intraLATA Outward Wide Area Telecommunications Service (WATS), and WATS 800 Service for Montana Deaconess Medical Center (MDMC), 1101 26th Street South, Great Falls, Montana. USWC makes its application pursuant to Section 69-3-808, MCA.
2. On October 26, 1992, at an Agenda meeting, the Commission GRANTED USWC's forbearance application for outward WATS and WATS 800 service. The Commission bases its decision solely on the contents of USWC's application.
3. Attached to and referenced in USWC's application was a notarized memorandum from MDMC to USWC, dated October 8, 1992, requesting a competitive bid on intraLATA long distance services. The memorandum also indicated MDMC had bids from AT&T, and TRI-Touch America for these same services.
4. Although the forbearance statute (Section 69-3-808, MCA) may not permit analysis of the economic merits of USWC's discounted sales prices in considering the forbearance application itself, the Commission intends to analyze the merits of such discounts in later dockets. There is absolutely no evidence in the instant or past forbearance applications that prices resulting from a negotiated contract or contracts for the

services listed herein or in past applications will cover relevant economic costs. Further, no economic cost studies have been accepted by this Commission for USWC's toll services (see Order Nos. 5354d and 5354e, Docket No. 88.1.2). Therefore, USWC is hereby put on notice that to the extent any such sales prices resulting from a negotiated contract for the services listed herein fall below the Commission's estimate of relevant marginal costs, the resulting shortfall shall be borne by USWC shareholders.

5. Pursuant to Section 69-3-808(6), MCA, within 10 days after the conclusion of the negotiations, if USWC is the successful bidder for the above services, they shall file with the Commission the final contract or other evidence of the service to be provided, together with the charges and other conditions of the service.

CONCLUSIONS OF LAW

1. USWC provides regulated telecommunications service within the state of Montana and is a public utility under the regulatory jurisdiction of the Montana Public Service Commission, Sections 69-3-101 and 69-3-803(3), MCA.

The Commission has authority to supervise, regulate and control public utilities. Section 69-3-102, MCA.

2. USWC's application contained the information required by Section 69-3-808, MCA and ARM 38.5.2715.

ORDER

1. USWC is GRANTED FORBEARANCE of rate regulation with respect to the provision of intraLATA Outward Wide Area Telecommunications Service (WATS) and WATS 800 Service for Montana Deaconess Medical Center, Great Falls, Montana.

DONE IN OPEN SESSION at Helena, Montana this 26th day of October, 1992 by a 3 - 0 vote.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

DANNY OBERG, Chairman

JOHN B. DRISCOLL, Commissioner

TED C. MACY, Commissioner

ATTEST:

Kathlene M. Anderson
Commission Secretary

(SEAL)

NOTE: Any interested party may request that the Commission
reconsider this decision. A motion to reconsider must
be filed within ten (10) days. See 38.2.4806, ARM.